

SuperRobotics Holdings Limited

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8176)

**INTERIM REPORT
FOR THE SIX MONTHS ENDED
30 JUNE 2023**

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This report, for which the directors (the “**Directors**” and each, a “**Director**”) of SuperRobotics Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) collectively and individually accept responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

This report, containing the full text of the 2023 Interim Report of the Company, complies with the relevant requirements of the GEM Listing Rules in relation to information to accompany preliminary announcement of interim results. Printed version of the Company’s 2023 Interim Report will be delivered to the shareholders of the Company and available for viewing on the GEM website at <http://www.hkgem.com> and the Company’s website at <http://www.superrobotics.com.hk> on 14 August 2023.

INTERIM RESULTS

The board of Directors of the Company (the “Board”) is pleased to present the unaudited condensed consolidated results of the Group for the three months and six months ended 30 June 2023 together with the comparative figures for the corresponding period in 2022 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Unaudited for the three months ended 30 June		Unaudited for the six months ended 30 June	
		2023	2022	2023	2022
		HK\$'000	HK\$'000 (Restated)	HK\$'000	HK\$'000 (Restated)
Continuing Operations					
Turnover	4	1,235	731	1,735	1,233
Cost of sales		<u>(570)</u>	<u>(623)</u>	<u>(1,041)</u>	<u>(966)</u>
Gross Profit		665	108	694	267
Other revenue		274	591	2,180	859
Other gains net		—	2,783	—	2,783
Selling and distribution costs		(423)	(830)	(1,117)	(2,242)
Administrative expenses		<u>(6,461)</u>	<u>(2,487)</u>	<u>(8,869)</u>	<u>(10,267)</u>
(Loss)/profit from operations	5	<u>(5,945)</u>	165	<u>(7,112)</u>	(8,600)
Finance costs		<u>(6,052)</u>	<u>(7,837)</u>	<u>(12,396)</u>	<u>(10,492)</u>
Loss before taxation		<u>(11,997)</u>	(7,672)	<u>(19,508)</u>	(19,092)
Income tax expense	6	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Loss from continuing operations		<u>(11,997)</u>	(7,672)	<u>(19,508)</u>	(19,092)
Discontinued operations					
Loss for the period from discontinued operations		<u>—</u>	<u>(486)</u>	<u>—</u>	<u>(545)</u>
Loss for the period		<u><u>(11,997)</u></u>	<u><u>(8,158)</u></u>	<u><u>(19,508)</u></u>	<u><u>(19,637)</u></u>

	Unaudited for the three months ended 30 June		Unaudited for the six months ended 30 June	
	2023	2022	2023	2022
Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Restated)		(Restated)
Other comprehensive income/ (expenses) for the period				
Item that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	<u>33,756</u>	<u>8,514</u>	<u>(10,350)</u>	<u>(208)</u>
Total comprehensive income/(loss) for the period	<u>21,759</u>	<u>356</u>	<u>(29,858)</u>	<u>(19,845)</u>
Loss for the period attributable to:				
Owners of the Company	<u>(10,823)</u>	<u>(4,033)</u>	<u>(14,818)</u>	<u>(10,582)</u>
Non-controlling interests	<u>(1,174)</u>	<u>(4,125)</u>	<u>(4,690)</u>	<u>(9,055)</u>
	<u>(11,997)</u>	<u>(8,158)</u>	<u>(19,508)</u>	<u>(19,637)</u>
Loss attributable to the owners of the Company:				
Continuing operations	<u>(10,823)</u>	<u>(3,547)</u>	<u>(14,818)</u>	<u>(10,037)</u>
Discontinued operations	<u>—</u>	<u>(486)</u>	<u>—</u>	<u>(545)</u>
	<u>(10,823)</u>	<u>(4,033)</u>	<u>(14,818)</u>	<u>(10,582)</u>
Total comprehensive income/(loss) for the period attributable to:				
Owners of the Company	<u>(19,945)</u>	<u>(5,448)</u>	<u>(28,756)</u>	<u>(14,735)</u>
Non-controlling interests	<u>41,704</u>	<u>5,804</u>	<u>(1,102)</u>	<u>(5,110)</u>
	<u>21,759</u>	<u>356</u>	<u>(29,858)</u>	<u>(19,845)</u>

Notes	Unaudited for the three months ended 30 June		Unaudited for the six months ended 30 June	
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Restated)		(Restated)

Total comprehensive loss for the period
attributable to the owners of the
Company:

Continuing operations	(19,921)	(4,962)	(28,732)	(14,190)
Discontinued operations	—	(486)	—	(545)
	<u>(19,921)</u>	<u>(5,448)</u>	<u>(28,732)</u>	<u>(14,735)</u>

Loss per share

Basic and diluted

— Continuing operations	HK(1.97) cents	HK(0.74) cents	HK(2.81) cents	HK(1.94) cents
— Discontinued operations	HK— cents	HK(0.75) cents	HK— cents	HK(0.06) cents

Basic and diluted

Total from continuing and
discontinued operations

8	<u>HK(1.97) cents</u>	<u>HK(1.49) cents</u>	<u>HK(2.81) cents</u>	<u>HK(2.00) cents</u>
---	------------------------------	------------------------------	------------------------------	------------------------------

The accompanying notes form an integral part of these unaudited condensed consolidated financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30 June 2023 <i>HK\$'000</i> (unaudited)	At 31 December 2022 <i>HK\$'000</i> (audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment	9	205	737
Investment – Bond		1,900	—
		2,105	737
Current assets			
Inventories		831	1,190
Contract assets		—	16
Trade receivables	11	677	543
Deposits, prepayments and other receivables	10	7,168	5,349
Financial assets at fair value through profit or loss		436	779
Cash and cash equivalents		12,566	13,599
		21,678	21,476
Total assets		23,783	22,213
EQUITY AND LIABILITIES			
Capital and reserves attributable to owners of the Company			
Share capital	12	60,747	50,622
Reserves		(138,502)	(122,908)
Capital deficiencies attributable to owners of the Company		(77,755)	(72,286)
Non-controlling interests		(129,161)	(128,059)
Total capital deficiencies		(206,916)	(200,345)

		At 30 June 2023 <i>HK\$'000</i> (unaudited)	At 31 December 2022 <i>HK\$'000</i> (audited)
LIABILITIES			
Current liabilities			
Trade payables	<i>13</i>	1,112	1,850
Accruals and other payables		88,439	74,423
Other borrowings		106,621	122,901
Contract liabilities		<u>2,691</u>	<u>2,856</u>
		<u>198,863</u>	<u>202,030</u>
Non-current liability			
Other borrowings		28,034	16,558
Interest payable		<u>3,802</u>	<u>3,970</u>
		<u>31,836</u>	<u>20,528</u>
Total liabilities		<u><u>230,699</u></u>	<u><u>222,558</u></u>
Total equity and liabilities		<u><u>23,784</u></u>	<u><u>22,213</u></u>
Net current liabilities		<u><u>(177,185)</u></u>	<u><u>(180,554)</u></u>
Net liabilities		<u><u>(206,916)</u></u>	<u><u>(200,345)</u></u>

The accompanying notes form an integral part of these unaudited condensed consolidated financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Share Capital <i>HKS'000</i>	Share premium <i>HKS'000</i>	Contributed surplus <i>HKS'000</i>	Translation reserve <i>HKS'000</i>	Accumulated losses <i>HKS'000</i>	Share-based payment reserve <i>HKS'000</i>	Sub-Total <i>HKS'000</i>	Non- Controlling interests <i>HKS'000</i>	Total equity <i>HKS'000</i>
At 1 January 2023 (audited)	50,622	488,163	38,991	(14,458)	(635,604)	—	(72,286)	(128,059)	(200,345)
Loss for the period	—	—	—	—	(14,818)	—	(14,818)	(4,690)	(19,508)
Other comprehensive expenses for the period:									
Exchange differences on translating foreign operations	—	—	—	(13,938)	—	—	(13,938)	3,588	(10,350)
Total comprehensive (expenses)/ income for the period	—	—	—	(13,938)	(14,818)	—	(28,756)	(1,102)	(29,858)
Placement of new shares	10,125	13,162	—	—	—	—	23,287	—	23,287
At 30 June 2023 (unaudited)	<u>60,747</u>	<u>501,325</u>	<u>38,991</u>	<u>(28,396)</u>	<u>(650,422)</u>	<u>—</u>	<u>(77,755)</u>	<u>(129,161)</u>	<u>(206,916)</u>

	Share Capital — ordinary shares <i>HK\$ '000</i>	Share premium <i>HK\$ '000</i>	Contributed surplus <i>HK\$ '000</i>	Translation reserve <i>HK\$ '000</i>	Accumulated losses <i>HK\$ '000</i>	Share-based payment reserve <i>HK\$ '000</i>	Sub-Total <i>HK\$ '000</i>	Non- Controlling interests <i>HK\$ '000</i>	Total equity <i>HK\$ '000</i>
At 1 January 2022 (audited)	50,622	488,163	38,991	(8,254)	(626,653)	2,783	(54,348)	(110,773)	(165,121)
Loss for the period	—	—	—	—	(10,582)	—	(10,582)	(9,055)	(19,637)
Other comprehensive expenses for the period: Exchange differences on translating foreign operations	—	—	—	(4,154)	—	—	(4,154)	3,945	(209)
Total comprehensive expenses (loss)/income for the period	—	—	—	(4,154)	(10,582)	—	(14,736)	(5,110)	(19,846)
Forfeiture of share options	—	—	—	—	—	(2,783)	(2,783)	—	(2,783)
At 30 June 2022 (unaudited)	<u>50,622</u>	<u>488,163</u>	<u>38,991</u>	<u>(12,408)</u>	<u>(637,235)</u>	<u>—</u>	<u>(71,867)</u>	<u>(115,883)</u>	<u>(187,750)</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS*Six months ended 30 June*

	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Net cash used in operating activities	(9,663)	(7,693)
Net cash used in investing activities	(1,557)	(700)
Net cash generated from financing activities	<u>13,157</u>	<u>10,506</u>
Net increase in cash and cash equivalents	1,937	2,113
Cash and cash equivalents at beginning of the period	13,599	20,835
Effects of foreign exchange rate changes	<u>(2,970)</u>	<u>(5,743)</u>
Cash and cash equivalents at end of the period	<u><u>12,566</u></u>	<u><u>17,205</u></u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

SuperRobotics Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands and with effect from 22 April 2014, the Company deregistered in the Cayman Islands and continued in Bermuda with limited liability. The Company’s shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the registered office and principal place of business of the Company are disclosed in the “**Company Information**” section to the annual report.

The principal activities of the Company and its subsidiaries (collectively referred to as the “**Group**”) are provision of engineering products and related services (the “**Robotics Business**”). The Group was also principally engaged in the sale of beauty products and provision of therapy services (collectively referred as the “**Beauty Business**”) during 31 December 2021. On 30 June 2021, China Honest Enterprise Limited (“**CHEL**”), a non-wholly owned subsidiary of the Company, completed to novate all its rights, benefits, interests, obligation and liabilities of contracts entered into by CHEL with the customers (the “**Novation**”) in connection with the Beauty Business to an independent third party. Upon completion of the Novation, the Group was ceased to engaged into Beauty Business, thus sale of beauty and provision of therapy services were discontinued accordingly.

The unaudited condensed consolidated financial statements are presented in units of thousands of Hong Kong dollars (HK\$’000), unless otherwise stated, which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), which is a collective term that includes all applicable HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (“**Int**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), and accounting principles generally accepted in Hong Kong. In addition, the unaudited condensed consolidated financial statements include applicable disclosures required by the GEM Listing Rules and the disclosure requirements of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis. The accounting policies and basis of preparation adopted in the preparation of the unaudited condensed consolidated financial statements are consistent with those adopted in the audited consolidated financial statements for the year ended 31 December 2022, except for the adoption of new and amendments to HKFRSs that affect the Group and has adopted the first time for the current period’s unaudited condensed consolidated interim results.

The HKICPA has issued a number of new and revised standards, amendments to standards and Int (collectively referred to as “**new and revised HKFRSs**”). The Group has adopted the new and revised HKFRSs which are relevant to the Group’s operations and are mandatory for the financial year beginning on 1 January 2023. The adoption of these new and revised HKFRSs does not have any significant financial effect on the Group’s unaudited results of operations and financial position.

3. OPERATING SEGMENTS

The Group engaged in the Beauty Business during the year ended 31 December 2022. Upon completion of the Novation on 30 June 2023, the Beauty Business was discontinued accordingly. Thereafter, the CODM considered the Group has only one operating segment under HKFRS 8 *Operating Segments*, accordingly, only entity-wide disclosures, major customers and geographic information are presented.

Note: For the engineering products, the Group offers robotic products. For the provision of engineering related services, the Group provides equipment installation, support and maintenance services for robotics and automation systems.

Geographical information

Since over 90% of the Group's revenue from continuing operation and non-current assets (excluded those relating to discontinued operations) were generated from and located in the PRC for both years, no geographical segment information in accordance with HKFRS 8 is presented.

Information about major customers

Details of the customers individually representing 10% or more of the Group's revenue are as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Continuing operation		
Customer A	530	401
Customer B	472	N/A
Customer C	370	N/A
Customer D	264	N/A

Except for disclosed above, no other customers contributed 10% or more to the Group for both years.

4. TURNOVER

	For the three months ended 30 June		For the six months ended 30 June	
	2023 <i>HK\$'000</i> (unaudited)	2022 <i>HK\$'000</i> (unaudited)	2023 <i>HK\$'000</i> (unaudited)	2022 <i>HK\$'000</i> (unaudited)
Continuing operations				
Provision of engineering products and related services	1,235	731	1,735	1,233
	1,235	731	1,735	1,233

5. LOSS FROM OPERATIONS

	For the three months ended 30 June		For the six months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Continuing operations				
Loss from operations has been arrived at after charging:				
Depreciation on property, plant and equipment	328	320	447	538
Operating lease rentals in respect of rented premises	1,011	486	1,176	1,108
Staff costs including directors' emoluments				
— salaries and other allowances	3,089	583	3,975	1,581
— contributions to retirement benefits scheme	31	48	83	148
	<u>31</u>	<u>48</u>	<u>83</u>	<u>148</u>

6. INCOME TAX

	For the three months ended 30 June		For the six months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Continuing operations				
Current tax expense				
— Hong Kong Profits Tax	—	—	—	—
— China Corporate Income Tax	—	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

Hong Kong profits tax has been provided for at the rate of 16.5% (six months ended 30 June 2022: 16.5%) on the estimated assessable profit for the period. The Group's subsidiaries in Mainland China are subject to the China corporate income tax at a rate of 25% on the estimated assessable profit (six months ended 30 June 2022: Nil). No income tax has been provided for the subsidiary in Canada since the subsidiary has no assessable profit for the six months ended 30 June 2023.

7. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

8. LOSS PER SHARE

	For the three months ended 30 June		For the six months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Loss for the period attributable to owners of the Company	<u>(10,823)</u>	<u>(4,033)</u>	<u>(14,818)</u>	<u>(10,582)</u>
	Number of ordinary shares			
	'000 (unaudited)	'000 (unaudited)	'000 (unaudited)	'000 (unaudited)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>548,497</u>	<u>548,497</u>	<u>527,475</u>	<u>527,475</u>

Diluted loss per share for the three months ended and six months ended 30 June 2023 and 2022 were the same as the exercise of the outstanding share options would be anti-dilutive.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, the Group did not acquire any property, plant and equipment (six months ended 30 June 2022: HK\$Nil).

10. DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES

	At 30 June 2023 HK\$'000 (unaudited)	At 31 December 2022 HK\$'000 (audited)
Current assets		
Deposits paid	—	804
Prepayments	3,185	557
Loan receivables	—	748
Other receivables	<u>3,983</u>	<u>3,240</u>
	<u>7,168</u>	<u>5,349</u>
	<u>7,168</u>	<u>5,349</u>

11. TRADE RECEIVABLES

The Group assesses the credit status and imposes credit limits for the customers in accordance with the Group's credit policy. The credit limits are closely monitored and subject to periodic reviews. The Group allows credit period ranging from 0 day to 120 days to its customers. Details of the ageing analysis of trade receivables that are not considered to be impaired and based on the past due days are as follows:

	At 30 June 2023 HK\$'000 (unaudited)	At 31 December 2022 HK\$'000 (audited)
0 – 30 days	666	99
31 – 60 days	—	35
61 – 90 days	—	—
Over 90 days	11	409
	<u>677</u>	<u>409</u>
	<u>677</u>	<u>543</u>

12. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Ordinary shares of HK\$0.10 each (2022: HK\$0.10 each)		
<i>Authorised:</i>		
At 31 December 2022 and 30 June 2023	4,950,000	495,000
<i>Issued and fully paid:</i>		
At 1 January 2022	506,220	50,622
At 31 December 2022 and at 1 January 2023	506,220	50,622
Placement of new shares (<i>Note (a) (b)</i>)	101,244	10,125
At 30 June 2023	607,464	60,747

Notes:

- (a) On 9 May 2023 of the settlement deed, 11,273,263 new ordinary shares of HK\$0.1 each were placed at a price of HK\$0.23 per ordinary share by way of placement of new shares under general mandate, approximately HK\$2,807,156 was intended to be used to settle Loan A.
- (b) On 9 May 2023 of the settlement deed, 89,970,697 new ordinary shares of HK\$0.1 each were placed at a price of HK\$0.23 per ordinary share by way of placement of new shares under general mandate, approximately HK\$20,693,260 was intended to be used to settle Loan B due by China SuperRobotics Limited wholly-owned indirect subsidiary of the Company.

13. TRADE PAYABLES

The trade payables as at 30 June 2023 and 31 December 2022 are unsecured and repayable within one year.

	At 30 June 2023 <i>HK\$'000</i> (unaudited)	At 31 December 2022 <i>HK\$'000</i> (audited)
0 – 30 days	367	259
31 – 60 days	—	—
61 – 90 days	—	107
Over 90 days	745	1,484
	<u>1,112</u>	<u>1,850</u>

14. COMMITMENTS

The Group does not have significant capital commitment as at 30 June 2023 and 31 December 2022.

15. MATERIAL RELATED PARTY TRANSACTIONS

The Group did not have material related party transactions during the financial period ended 30 June 2023 and the financial year ended 31 December 2022.

Compensation for key management personnel

Remuneration for key management personnel, including amounts paid to the Directors and certain of the Company's highest paid employees for the six months ended 30 June 2023 and 2022, is as follows:

	For the six months ended 30 June	
	2023 <i>HK\$'000</i> (unaudited)	2022 <i>HK\$'000</i> (unaudited)
Salaries and allowances	135	135
Contributions to retirement benefits scheme	—	—
	<u>135</u>	<u>135</u>

16. CONTINGENT LIABILITIES

The Group does not have significant contingent liability as at 30 June 2023.

17. EVENTS AFTER REPORTING PERIOD

There is no significant event after the report period.

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

The Group mainly offers robotic products. For the provision of engineering related services, the Group provides equipment installation, support and maintenance services for robotics and automation systems (collectively, the “**Engineering Business**”).

In the second half of 2022, despite that the COVID-19 outbreak was controlled and the market was gradually back on track, competition in the engineering products continued to intensify. The overall performance was faced with unprecedented challenges. In 2022, revenue from the engineering business dropped significantly.

For the Engineering Business, during the six months ended 30 June 2023, the Group continued to develop and improve its robotic products. The Group has also driven the commercialization of its products at steady pace through domestic platforms, upon which large-scale of civil application can be expected. For the period under review, the revenue of the Engineering Business has increased by approximately 40.7% as compared to the corresponding period in 2022 and contributed a total revenue of approximately HK\$1.7 million to the total turnover of the Group.

A. Business Model of the Group

Shenzhen Anzer Intelligent Robotics Co. Limited (“**Anzer**”), a controlled subsidiary of SuperRobotics Holdings Limited (“**SuperRobotics**”), conducts the business operations mainly in the mainland market.

Anzer applies the latest AI and robotic technologies into two main products – commercial patrol robots and special purpose robots.

The patrol robot product offers patrolling/surveillance functions equipped with AI detection and recognition capabilities in autonomous navigation mode. The product requires minimum human intervention when working, and it can also endure more severe working environment than human. Therefore, customers are able to free up its workforce and employ them in much more needed positions, hence to improve productivity.

The special purpose robot products are mainly marketed to government agencies such as public security bureau. Customers are using the products to handle dangerous explosives and chemicals by remote control, so trained personnels can move, disarm, destroy or transport dangerous goods at safe distance without causing personal injury or public damage.

Anzer’s major customers include robotics unicorn firms such as CloudMinds Technologies Company Limited (“**CloudMinds**”) and Shenzhen Intellifusion Technologies Company Limited (“**Intellifusion**”), and property firms such as Gemdale and Central China Real Estate. Our special purpose robot customers mainly include public security bureaus from a number of provinces in Xinjiang, Shandong, Zhejiang, Henan, Guangdong and etc.

Apart from traditional robotic product business, Anzer takes advantage of existing property business customer base and endeavors to further exploit business opportunities with them. The company expands its business dealings with customers via vertical integration, called “smart property management projects”. Anzer provides property management related equipment/device and offers engineering, installation services. The business application scenarios include carpark control, building and lift intercom, community surveillance and system integration.

B. Reasons of the Revenue Change

Significant change in robotic business market

The past success of robotic market lies with the favor of capital market and the technological advances. However, the recent performance of capital market and macro economy has been unpromising which in turn affects both firms’ funding ability and end-users’ purchasing ability. In addition, the pace of robotic technological advance seems to slow down and reaches a bottleneck, causing a mismatch between what firms could offer and what clients would want.

Reliance on big customer

A very large portion of the group’s income between 2019 and 2021 was from one single client – CloudMinds. However, since the contract came to the end in 2021, neither the client intended to place further orders nor Anzer was able to obtain new business orders elsewhere, thus the Group’s income dropped significantly. The Group continues to develop new sales & marketing channels to secure new customers as well as to exploit more business opportunities out of existing customer base for the new “smart property management projects”.

Financial review

During the period under review, the Group recorded a turnover of approximately HK\$1.7 million, representing an increase of approximately 40.7% as compared with the corresponding period in 2022, (2022: approximately HK\$1.2 million), which was generated from sale of robotic products approximately HK\$0.9 million, and from automation and service approximately HK\$0.8 million.

Other income of approximately HK\$2.2 million (2022: approximately HK\$0.9 million) mainly attributable to waiver of loan interest expenses.

For the robotics products, it mainly generated from customers namely Nansha Customs of the People’s Republic of China* (中國人民共和國南沙海關) and Shenzhen Intellifusion Technologies Company Limited* (深圳雲天勵飛技術股份有限公司), approximately 21.3% and 30.6% of the total turnover, respectively.

For the automation and services, it mainly generated from customers Huizhou City Dayawan Dongbang Industry Trade Company Limited* (惠州市大亞灣東邦工貿有限公司) and Huizhou Taidong Industrial Investment Company Limited* (惠州市太東實業投資有限公司) approximately 15.2% and 27.2% of the total turnover respectively.

Huizhou Taidong Industrial Investment Company Limited and Huizhou Dayawan Dongbang Industry Trade Company Limited is wholly owned by Mr. Su Zhituan, a substantial Shareholder and a former executive Director in the last 12 months, and thus is a connected person of the Company. When aggregated together constitute non-exempt continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

As the time of compiling this report, the Group has entered a MOUs with a customer “Hui Zhou Taidong Smart Property Management Services Company Limited”. The Group is close to reach a sales contract with this customer. The MOUs and sales contract are mainly involved in the sales of robotic products and software development services in the property management business scenario. The management is negotiating with the customer to ascertain the key terms in the contract and sales potential from them for 2023. The management estimates that revenue in the sum of not less than HK\$5 million will be recorded in the third quarter of 2023. Meanwhile, the management has actively maintained frequent communication with existing customers and potential new customers in relation to enhance the sales of the Group. With the Group’s good and well-established connection in the industry, the management believes that the sales of the Group is expected to see a pickup in the second half of 2023.

The selling and distribution costs was approximately HK\$1.1 million for the six months ended 30 June 2023 (2022: approximately HK\$2.2 million), representing a decrease of approximately 50.2% over the corresponding period in 2022. The decrease is mainly due to reduce in marketing expense of Engineering Business.

The administrative expenses was approximately HK\$8.8 million for the six months ended 30 June 2023 (2022: approximately HK\$10.3 million), representing a decrease of approximately 13.6% over the corresponding period in 2022. Such decrease was mainly attributed to decrease in research and development expenses and staff cost.

Loss attributable to owners of the Company amounted to approximately HK\$14.8 million for the six months ended 30 June 2023 (2022: approximately HK\$10.0 million). The increase in loss was mainly contributed by the loan interest expenses.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2023, the Group had a total secured borrowing of approximately HK\$122.4 million (31 December 2022: approximately HK\$117.7 million), which was secured by equity shares of a non-wholly owned subsidiary indirectly held by the Company and interest bearing at fixed interest rate ranging from 15% to 18%. The Group also had unsecured borrowings of approximately HK\$12.1 million (31 December 2022: approximately HK\$21.7 million), which interest bearing at fixed interest rate ranging from 5% to 18%.

The total secured and unsecured borrowings of the Group is approximately HK\$134.5 million, of which HK\$106.6 million is matured between one to two years and HK\$27.9 million is matured between two to five years.

Approximately HK\$12.1 million of the borrowings are denominated in Hong Kong dollars and approximately HK\$122.4 million of the borrowings are denominated in Renminbi.

As at 30 June 2023, the Group had total assets of approximately HK\$23.7 million (31 December 2022 approximately HK\$22.1 million), including cash and cash equivalents of approximately HK\$12.5 million (31 December 2022: approximately HK\$13.6 million).

SHARE CAPITAL

Details of the movements in the share capital of the Company during the period under review are set out in the consolidated statement of changes in equity on page 7 and note 12 to the consolidated financial statements respectively.

GEARING RATIO

Gearing ratio is not meaningful as the Group has capital deficiencies attributable to owners of the Company as at 30 June 2023 and 31 December 2022.

FOREIGN EXCHANGE RISK

The Group has not used any foreign currency derivative instruments to hedge its exposure to foreign exchange risk. However, the management monitors closely the exposures and will consider hedging the exposures should the need arise.

EMPLOYEES

As at 30 June 2023, the Group had 33 employees, included management 7 employees, sales and marketing 2 employees and production and research and development 17 employees. Total staff costs for the six months ended 30 June 2023 amounted to approximately HK\$4.0 million (for the six months ended 30 June 2022: approximately HK\$1.7 million). Their remuneration, promotion and salary are assessed based on job responsibilities, work performance, professional experiences and the prevailing industry practices. The employees in Hong Kong joined the mandatory provident fund scheme and the employees in the PRC joined the national statutory social security insurance scheme.

SIGNIFICANT INVESTMENT

The Group did not have any significant investment during the six months ended 30 June 2023.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND AFFILIATED COMPANIES

There was no material acquisition and disposal of subsidiaries, associates and affiliated companies during the three months ended 30 June 2023.

OUTLOOK

According to the Report on the Development of the Robotics Industry in China (the “**Report**”) released at the World Robot Conference 2022, the global robot market is expected to reach US\$51.3 billion in 2022. In recent years, China’s robot market has grown rapidly, and “robot+” applications have continued to expand and deepen. It is expected that China’s robot market will reach US\$17.4 billion in 2022 with an average annual growth rate of 22% for a five-year period. Specifically, the industrial robot, service robot and special robot markets are expected to reach US\$8.7 billion, US\$6.5 billion and US\$2.2 billion, respectively.

As the Report stated, China has prioritised breakthroughs in key robotic technologies, and domestic manufacturers have resolved some of the difficulties in the field of core components such as reducers, controllers and servo systems. More and more core components are made in China. The Soochow Securities research report pointed out that core components of robotics are extremely important because on the one hand, high-performance components are the basis for enabling sensing and kinetics; on the other hand, the core components account for fairly high proportion of the total costs. Taking traditional industrial robots as an example, the core components account for more than 70% of the total costs.

In recent years, service robots have been working in medical care and public service scenarios. Besides, due to explosive growth in demand for “non-contact” services during the epidemic, there is more accurate market demand in the service robotics industry. The global service robot market is expected to reach US\$21.7 billion in 2022, and grow to US\$29 billion in 2024.

In recent years, global special robots have been showing better performance, and their operation in extreme environments, dangerous operations and other scenarios has increased significantly, contributing to the rapid development of space exploration, deep-sea exploration, emergency rescue and other applications. Since 2017, the average annual growth rate of the global special robotics industry has reached 21.7%. It is estimated that the market size of the global special robot market will exceed US\$10 billion in 2022 and reach US\$14 billion in 2024.

There were 500 robotics-related corporate financing events with a total amount of approximately RMB84 billion from 2018 to Q3 2022. In terms of financing amount, the amount rocketed rapidly in 2018, continued to rise after a relative fall in 2019, and went upward to hit RMB22.8 billion in 2021. As of September 2022, the financing amount remained stable, having reached the highest average amount in recent years of RMB260 million/transaction. With respect to financing rounds, the proportion of Series A-related events decreased year by year, and Series C and follow-up financing events increased. The concentration of financing in the robot market increased, and the market gradually moved into a stable development stage, with companies leading ahead. Traditional robotics manufacturers are still the main force of the industry, taking the lead in the field of core component manufacturing. Intelligent technology companies enriched the applications of robots. Meanwhile, technology transfer enabled penetration of robot applications into multiple fields. Top tech companies are paying special attention to the robotics with a view to expanding their portfolio, and empowering their own main businesses of e-commerce and consumer entertainment, thus promoting the application of technology in the industry and other fields.

With the declined population, accelerated aging population and rising costs of various factors, intelligent manufacturing, such as robotics, will become the essential pathway towards high-quality development of the domestic manufacturing industry. The robotics industry will be deeply integrated with more industries. Along with recovery of consumption and investment, the domestic robotics industry as a whole is expected to experience a new fast growth. The Ministry of Industry and Information Technology of the People’s Republic of China and other 17 departments issued the “**Robot+**” Application Action Plan, indicating that by 2025, the robot density in the manufacturing industry will double as compared to 2020; the depth and width of application of service robots and special robots in industries will rise significantly, and robots will be much better at promoting the high-quality development of economy and society. The repeated outbreaks of the epidemic have created strong demand for unmanned, automated and intelligent productivity and labour in many fields. The entire robotics industry is showing healthy growth momentum. The market size of the intelligent robot market in China is estimated to reach approximately RMB100 billion in 2025.

SUBSTANTIAL SHAREHOLDER’S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2023, so far as is known to the Directors and the chief executive of the Company, the interests and shorts positions of the persons or corporations (other than the Directors and the chief executive of the Company) in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Name of shareholder	Nature of interests	<i>Notes</i>	Interest in shares of the Company <i>(Note 1)</i>	Interest in underlying shares of the Company <i>(Note 1)</i>	Total interest in shares of the Company <i>(Note 1)</i>	Approximate percentage of shareholding <i>(Notes 1 and 7)</i>
Tai Dong	Beneficial owner	2	151,425,197(L)	—	151,425,197(L)	24.93%(L)
Mr. Su Zhituan	Interest of controlled corporation	2	151,425,197(L)	—	151,425,197(L)	24.93%(L)
Hong Kong Bridge Investments Limited (“Hong Kong Bridge Investments”)	Beneficial owner	3	41,666,666(L)	—	41,666,666(L)	6.86%(L)
HKBridge Absolute Return Fund, L.P (“HKBridge Absolute”)	Beneficial owner	4	64,148,063(L)	—	64,148,063(L)	10.56%(L)
On Top Global Limited (“On Top Global”)	Beneficial owner	5	24,397,946(L)	—	24,397,946(L)	4.02%(L)
Renco Holdings Group Limited (“Renco Holdings”)	Interest of controlled corporation	3,4,5	130,212,675(L)	—	130,212,675(L)	21.44%(L)
Mr. Huang Jianhang	Beneficial owner	6	89,970,697(L)	—	89,970,697(L)	14.81%(L)

Notes:

1. “L” represents long position in shares or underlying shares of the Company and “S” represents short position in shares or underlying shares of the Company.
2. Tai Dong is interested in 151,425,197 shares of the Company. As Tai Dong is ultimately wholly-owned by Mr. Su Zhituan, Mr. Su Zhituan is deemed to be interested in such 151,425,197 shares of the Company.
3. Hong Kong Bridge Investments is interested in 41,666,666 shares of the Company. As Hong Kong Bridge Investments is a wholly-owned subsidiary of Renco Holdings, Renco Holdings is deemed to be interested in such 41,666,666 shares of the Company.
4. HKBridge Absolute, a Cayman Islands exempted limited partnership, the general partner of which is HKBridge (Cayman) GP2 Limited, a Cayman Islands limited liability company, is interested in 64,148,063 shares of the Company. As the entire issued share capital of the general partner of HKBridge Absolute is indirectly owned by Renco Holdings, Renco Holdings is deemed to be interested in such 64,148,063 shares of the Company.
5. On Top Global is interested in 24,397,946 shares of the Company. As On Top Global is a wholly-owned subsidiary of Hong Kong Bridge High-Tech Investment Fund L.P. (“**Hong Kong Bridge High-Tech**”), Hong Kong Bridge High-Tech is deemed to be interested in such 24,397,946 shares. Hong Kong Bridge High-Tech, a Cayman Islands exempted limited partnership, the general partner of which is Hong Kong Bridge High-Tech Investment G.P Limited, a Cayman Islands limited liability company. As the entire issued share capital of the general partner of the Hong Kong Bridge High-Tech is indirectly owned by Renco Holdings, Renco Holdings is deemed to be interest in such 24,397,946 shares of the Company.
6. Mr. Huang Jianhang is interested in 89,970,697 shares of the Company.
7. The percentage is calculated on the basis of 607,463,599 Shares in issue as at 30 June 2023.

Save as disclosed above, as at 30 June 2023, so far as is known to the Directors and the chief executive of the Company, and based on the public records filed on the website of the Stock Exchange and records kept by the Company, no other persons or corporations (other than the Directors and the chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own codes of conduct regarding Directors' and relevant employees' securities transactions, namely "Code for Securities Transactions by Directors" and "Code for Securities Transactions by Relevant Employees", both of which apply to all Directors and relevant employees of the Company on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules.

Having made specific enquiry with each of the Directors, all Directors have confirmed that they have complied with such code and the required standard of dealings on Directors' securities transactions during the six months ended 30 June 2023.

COMPETING INTERESTS

As at 30 June 2023, none of the Directors, substantial shareholders of the Company nor any of their respective close associates (as defined in the GEM Listing Rules) had any interest in a business which causes or may cause any significant competition with the business of the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company did not redeem any of its listed shares during the six months ended 30 June 2023. Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2023.

AUDIT COMMITTEE

The Board has established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. As at the date of this report, the Audit Committee comprises three independent non-executive Directors, namely, Ms. Han Xiao (chairman), Mr. Tam B Ray, Billy and Ms. Zhao Yang. The Audit Committee has reviewed the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2023 and has provided advice and comments thereon.

CORPORATE GOVERNANCE CODE

The Board believes that corporate governance is essential to the success of the Company. The Board is committed to maintaining corporate governance with high standard and ensuring compliance of the legal and regulatory requirements. The Company has put in place governance practices with emphasis on the integrity, quality of disclosures, transparency and accountability for the shareholders of the Company.

Throughout the six months ended 30 June 2023, the Company has complied with the code provisions in the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules.

Pursuant to the code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer of the Company should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and the chief executive officer should be clearly established and set out in writing. The position of the chairman is held by Mr. Fan Yu. The responsibilities of the chairman of the Company are to, among others, ensure the Board to work effectively and perform its responsibilities, and all key and appropriate issues are discussed by the Board, draw up and approve the agenda for each board meeting and take into accounts, any matters proposed by others Directors for inclusion in the agenda as well as handling other matters as prescribed by the CG Code.

As at 30 June 2023 and up to the date of this report, the Company has not appointed a chief executive officer and is looking for a suitable candidate to act as chief executive officer in order to comply with the CG Code. The office and duties of the chief executive officer in respect of the day-to-day management of the Group's business are handled by the executive Directors collectively.

By Order of the Board
SuperRobotics Holdings Limited
Fan Yu
Chairman and Executive Director

Hong Kong, 14 August 2023

As at the date of this report, the Board comprises two executive Directors, namely Mr. Fan Yu (Chairman) and Ms. Qiu Xueyun; and three independent non-executive Directors, namely Mr. Tam B Ray, Billy, Ms. Han Xiao and Ms. Zhao Yang.